

# MICHIGAN CIVIL RIGHTS COMMISSION

N E W S L E T T E R

## Buyer Beware: Predatory Lending and the Property Owner

If you're a homeowner or a property owner, chances are you've received a colorful flyer or brochure in the mail with equally colorful letters that blare "No Money! No Credit! Bad Credit! No problem." Or perhaps you've received an unsolicited check for thousands of dollars. This is a marketing tactic often used by sub-prime lenders looking for customers who may not qualify for regular loans.

Many sub-prime lenders may also be predatory lenders. Predatory lending is a practice by which certain lending institutions use high fees and interest rates, outrageous costs, and uncalled for insurance coverage, terribly large payments, repeated financing, and other dishonest lending practices to strip equity from one's home. These costs may be applied even though the applicant qualifies for more favorable loans.

Many property owners never climb out of this debt and end up losing all their savings in equity as well as their properties. Each year, thousands of Michiganians lose their properties as a result of the tactics used by these lenders.

Predatory lenders systematically target first time homeowners, low-income homeowners, and property owners with huge debt loads. Young homeowners, senior citizens and poorly educated people are often targeted as well.

Predatory lending has attracted the attention of many municipal officials and civil rights organizations, including the Detroit NAACP, the Detroit Alliance for Fair Banking, US Department of Housing and Urban Development (HUD), and the Michigan Department of Civil Rights (MDCR).

MDCR has met with these organizations and participated in drafting legislation to curb predatory lending. In addition, in collaboration with HUD Community Builders and fair housing advocacy groups and local human relations commissions across the state, MDCR developed an educational brochure on predatory lending for statewide distribution.

There are some steps you can take to thwart predatory lenders:

1. The old saying "nothing good comes easy" applies. If a bank or some other lending institution offers you a large sum of money easily and quickly, chances are it's too good to be true. Beware of excessive fees or excessively high interest rates that may lurk in these offers.
2. Consider the source! Name recognition, or lack thereof, is a key indicator, though not the only indicator, of a lender who's up to no good. If the lender is obscure and is making outrageous offers, there is a good possibility that its credibility

## Age Discrimination: A Primer

Recognizing and remedying age discrimination presents a unique challenge. Age discrimination claims are often relative. Unlike race, gender, national origin, religion or disability, age discrimination claims typically require proof that the plaintiff is "old enough."

**Who is protected from age discrimination?** Under Michigan's Elliott-Larsen Civil Rights Act (ELCRA), every person is protected from age discrimination in employment, real estate transactions and public service-public accommodations. Michigan courts make it clear that state law forbids discrimination against younger people or older persons because of age. The

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# Letter from the Commission Chair

## A Message from the New Commission Chair

Let me begin my first message from the chair by saluting Commissioner Francisco J. Villarruel who served so diligently as our immediate past chair. Francisco is a tireless advocate for civil rights and used his position of leadership to champion much good for the citizens of our state.

I look forward to continuing the great work of our Commission along with our new officers, Albert Calille, our new vice chairman; Valerie Simmons, our new secretary; and Francisco J. Villarruel, who will continue to serve on our executive board as treasurer.

Although the coming years present great challenges for the Department of Civil Rights, I am confident under the leadership of our outstanding director, Dr. Nanette Lee Reynolds, we will continue to see great progress in all the critical work being advanced by the Department.

I am very proud to be a part of a Commission whose members take their roles very seriously and who have a deep commitment to civil rights.

Let us continue to work together for the good of all of our Michigan citizens, and to endeavor to protect and defend all the rights we collectively enjoy so much.



*Commission Chair, Gary Torgow*

### ***“Age Discrimination: A primer” (continued from pg.1)***

Age Discrimination in Employment Act (ADEA) protects only older workers because of their age, and only individuals over 40 may bring a claim. However, it is common for employers to prefer to hire, for example, a 42-year-old over a 65-year-old. Indeed, the United States Supreme Court recently held that the ADEA forbids discrimination against older workers in favor of younger workers, even if both are over 40.

**How does an individual recognize age discrimination?** Age discrimination would be suspected when an older worker is treated badly, while a considerably younger worker with equal or lesser qualifications is treated better. A finding of discrimination would require evidence that age was a factor that contributed to the difference in treatment. It is equally important that the age difference between the favorably treated and unfavorably treated employees be substantial enough to suggest age bias. Occasionally, there is more direct evidence of age bias, such

as an openly expressed preference for younger workers. Sometimes statistical evidence can also be used to identify age discrimination.

**What if the number of older workers laid off exceeds the number of younger workers?** Statistical evidence is not as important in age discrimination claims as it is in other forms of discrimination. An older worker suspecting a discriminatory layoff should focus on the stated reasons for the layoff, his or her qualifications relative to specific jobs that were not eliminated, and the ages of persons occupying those jobs. The success of the claim will turn on evidence that age bias was a significant reason for the individual's layoff.

The United States Supreme Court has made it clear that employers may choose any reasonable non-discriminatory criterion to select employees for layoff. For instance, the Supreme Court held that a layoff based on “retirement eligibility” was not the same as a layoff based on age. Evidence showed that older workers were

more likely to be eligible for retirement and thus more likely to be laid off. Still, the Court required that the plaintiff show that his age was a real and significant reason for the layoff. Similarly, a decision to lay off only the highest paid workers would not violate the law, unless the plaintiff could show that wages were only a “cover-up” for age bias. This would be true even if more older workers were laid off because they happened to be higher paid.

**Are mandatory retirement rules legal?** Policies that require retirement at a certain age are unlawful. However, Congress has carved out a few exceptions. First, a mandatory retirement age is lawful for highly paid executives in the private sector. Additionally, law enforcement officers and firefighters may lawfully be subject to uniform mandatory retirement when they reach a specified age. Likewise, elected officials and their closest political advisers fall under mandatory retirement rules. Finally, the courts recognize that the vast

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majority of persons over a certain age are likely unable to safely perform certain safety sensitive tasks. For example, mandatory termination of commercial airline pilot may be lawful at age sixty, as long as the airline permits the former pilot the option to bid on less safety sensitive positions, like first officer.

#### **What about employee benefits?**

Insurance providers often charge employers more for employer paid insurance benefits. Under 1991 amendments to the ADEA, it would be lawful for an employer to reduce the benefits of older workers, as long as the cost of benefits provided to older and younger workers is the same.

#### ***“Buyer Beware: Predatory Lending and the Property Owner” (continued from pg.1)***

is suspect. If the name of the lender closely resembles that of a more established company, that could also be an indicator.

3. Be wary of lenders who use such marketing and advertising tactics as telemarketing, television ads, direct mail and door-to-door solicitation.

There are many resources you can call to get additional information. These include The Michigan Department of Civil Rights (1-800-482-3604), the Detroit Branch NAACP (313-871-2087 ext. 225), and the Detroit Alliance for Fair Banking's Don't Borrow Trouble hot line, 1-800-823-8610.

For a listing of HUD approved counseling agencies in your area, call 1-800-569-4287.

To file a complaint alleging violation of fair housing laws, call the Michigan Department of Civil Rights at 1-800-482-3604.

## Major Settlements

**Following are some of the major settlements in the course of the last three months.**

- An Asian man who alleged he was denied a promotion because of his national origin entered into a settlement agreement valued at \$55,000.
- A Black man who charged he was denied rehire because of his race was rehired at a salary of \$48,110 a year.
- A 54-year-old white man alleged he was denied a promotion because of his age, race and sex. The claimant and respondent entered into an agreement valued at \$41,933.
- A man with a back impairment alleged he was denied recall from a layoff because of his disability. He was recalled at a salary of \$41,600 a year.
- A Middle-Eastern man alleged he was discharged because of his national origin. He was rehired at an annual salary of \$24,939.
- A woman who charged she was denied a promotion because of her sex received \$460 in back pay and was promoted to a position paying \$24,380 per annum.
- A woman with a pulmonary disease claimed she was denied accommodation, promotion and transfer because of her disability. She was offered a transfer and provided accommodation to work a reduced schedule at an annual salary of \$15,912.
- A Latino woman who alleged she was discharged because of her national origin was reinstated at a salary of \$17,152 per year.

## ADDRESS CHANGE

**We're in the process of updating our address database. If your address has changed or is about to change, please write to the following address:**

**c/o Lekan Oguntinyinbo  
Michigan Department of Civil Rights  
110 W. Michigan Ave., Suite 800  
Lansing, MI 48913**

**Or you may simply e-mail: [oguntinyinbol@michigan.gov](mailto:oguntinyinbol@michigan.gov)**

# Commission & Department News

## MDCR to Lose 36 Colleagues to Early Retirement

The 36 colleagues who are leaving as a result of the early retirement incentives have collectively put in 1,000 years of service at the Michigan Department of Civil Rights. While most of them plan to leave at the end of October, several have already departed. Prominent among those who have retired are Beverly Beasley Knight, the department's deputy director; Mary Hogan, director of civil rights operations- Lansing; and Kathi "K.D." Dominguez, director of the Office of Workplace Learning. In addition to senior managers, those retiring include civil rights representatives and administrative support personnel. All retirees were honored at an agency event on Friday, August 9.

## MDCR Promotes Two Veterans to Senior Positions

Warren Bonam, a 24-year employee of the Michigan Department Civil Rights who has held an array of positions within MDCR, has been appointed director of civil rights operations - Lansing.

In this new position, Bonam will oversee the department's six teams in Grand Rapids, Kalamazoo, Flint, Lansing and Saginaw as well as its satellite offices in Traverse City and the Upper Peninsula. The appointment became effective in June. He replaces Mary Hogan who retired at the end of June after 30 years with the state.

"Mary's departure was a great loss to the department, but in Warren we have a colleague who can continue where she left off," said MDCR Director Nan Reynolds. "He is a dynamic leader. He is farsighted, innovative, thoughtful

and passionate about the cause of civil rights."

Bonam holds a bachelor's degree in social work from Eastern Michigan University. He came to MDCR in 1978 after six years with two other state agencies. Since joining MDCR, he has been a civil rights representative, a team coordinator, and a master coach.

A father of three, Warren and his wife Kimberly live in the Ann Arbor area.

In another development, Donna Harahuc, a civil rights representative in Flint, was appointed director of the Office Workplace Learning. Donna spent 24 years at the Michigan Department of Community Health, where she worked in employee development and training. She holds a master's degree from Central Michigan University and brings an extensive knowledge of MDCR business processes to the her new position. She replaces Kathi "K.D." Dominguez who retired at the end of June.

## Michigan Civil Rights Commission Picks New Officers

The Michigan Civil Rights Commission elected a new slate of officers at its regular Commission meeting in May. Detroit lawyer and businessman Gary Torgow was elected Commission chair. Albert Calille, legal counsel for SBC Ameritech, became the new vice-chair; Grand Rapids attorney Valerie Simmons was elected secretary; and Detroit attorney



*Gary Torgow*

Francisco J. Villarruel, the Commission's outgoing chair, took over as treasurer.



*Albert Calille*

February 2000, a position he held until his election as chair. He is the CEO of the Sterling Group, a Detroit-based real estate development, investment and management company.

Calille, a resident of Plymouth, is serving his second term as a commissioner. He was appointed by Governor John Engler in January 1998 and was recently reappointed. He is the author of several legal publications and is a mediator with the Wayne County Circuit Court.

All were elected unanimously.

The new positions, which took effect in May, are for one year. Torgow was appointed to the Commission in 1998 and became vice-chair in



*Valerie Simmons*

A nurse who later made a career switch to law, Simmons is currently a partner with the law firm of Warner, Norcross and Judd in Grand Rapids, where she resides.

Like Calille and Torgow, Simmons was appointed to the Commission in January 1998. Villarruel, a resident of Plymouth Township, has served on the Commission since 1994 and was elected Commission chair in February 2000. An attorney, Villarruel maintains a practice in Detroit, specializing in areas that include immigration and crime.



*Francisco J. Villarruel*



# Arts & Entertainment

## Books

### Frantz Fanon: A Biography

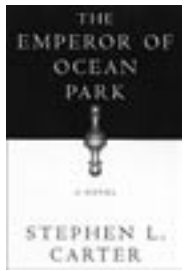
by David Macey. (Picador USA, \$20).

If you've ever wondered about the background of this Martinique-born psychiatrist and author who gave us classics like "The Wretched of the Earth" and became the preeminent spokesman for the Algerian revolt against French rule in the late 1950s, this is a good place to start. Critics call this book meticulously researched and absorbing. You may not agree with Fanon's views on violence, but you may come away with a sympathetic understanding of the aspirations of oppressed people around the world.



### The Emperor of Ocean Park

by Stephen L. Carter. (Alfred A. Knopf, \$26.95).



Carter, a professor of law and religion at Yale and the author of such memorable books as "Reflections of an Affirmative Action Baby" makes his debut as a fiction writer. Carter's novel is a somewhat satirical look at the life of a dynastic black family. The intrigue stems from the death of the family patriarch, a prominent jurist with conservative leanings who dies from an apparent heart attack. "The Emperor of Ocean Park" gives you a sense for life among America's black aristocrats.

### The White

by Deborah Larsen. (Alfred A. Knopf, \$22).

Based on the life of Mary Jamison, Larsen's first novel is a story about Mary, a 16-year-old girl who is taken captive by Shawnee Indians in the mid-18th Century after being forced to witness the scalplings of her parents and siblings. Her captors then hand her over to two Seneca sisters as a replacement for the brother they had earlier lost to white raiders. Mary starts out as a prisoner and eventually grows to become a member of the community. In the course of her life, she would marry two Indian men and have six children. She would become a landowner. But she would suffer a cultural dissonance that still makes her an alien among the Indians and a stranger to whites. "The White" is more than just a novel about Mary's life. It is an engaging saga about the brutality that whites and Indians visited on each other in the early days of this republic.



### Racism: A Short History

by George M. Fredrickson. (Princeton University Press, \$22.95).



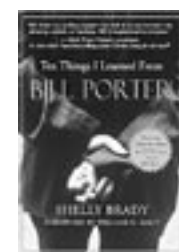
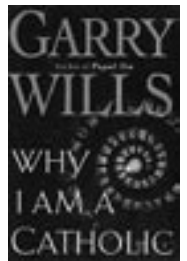
In this work, George M. Fredrickson, who more than 20 years ago wrote an acclaimed book comparing racism in North America and South Africa, traces the rise of racism in the West and the spread of that brand of racism all over the world. Although racism and ethnic chivalry have been a fact of life since recorded history, Fredrickson chooses to focus on the West for a couple of reasons. First, its impact

was more palpable because Western racism, propelled by the growth of European empires on every corner of the globe, had a wider impact than any other form of racism. Second, although white supremacy flew in the face of Western ideals, racism in the West marked the first time in recorded history that any people had developed well thought out rationales for the subjugation of other peoples.

### Why I Am a Catholic: Examining 2,000 Years of Church History

by Garry Wills. (Houghton Mifflin, \$26).

Part personal history, part church history, the noted historian and commentator Garry Wills describes his Catholic upbringing and education, his failed attempt to become a priest, the depression that followed after he dropped out of the seminary and the works of writers and scholars that lifted him out of that depression. He examines the origins and evolution of the papacy from that of a spiritual leader to one that is both spiritual and temporal. He also looks at subsequent changes in the papacy over the centuries. One critic called this book "compellingly argued, intellectually satisfying and spiritually moving."



### The Things I Learned from Bill Porter

by Shelly Brady. (New World Library, \$20).

This is the moving - and inspiring - story of Bill Porter, a salesman afflicted with cerebral palsy who worked for the Watkins Corp.

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## Arts & Entertainment *(continued)*

selling household products door-to-door in Portland. Despite consistently being in pain, Porter was determined not to live off a government disability check. At the Watkins Corp., he became the company's top-grossing salesman. The story is narrated by Shelly Brady who served Porter in various capacities - driver, typist, co-speaker and friend. Read this book to learn about life's lessons and about courage in the face of seemingly insurmountable odds.

### Art



#### **Dance of the Forest Spirits: A Set of Native American Masks at the Detroit Institute of Arts.**

*Continues through July 2003.*

This exhibit features a set of masks during a 1940s era potlatch. Potlatch ceremonies are celebrated by, among others, the Kwakwaka'wakw American Indians on the Pacific Northwest coast. They commemorate significant events in a family's life. The masks, which are wooden and carved, are worn when the Kwakwaka'wakw perform dances passed down from generation to generation. You can learn more about the culture and art of the Kwakwaka'wakw through interactive videos, listening stations and computer activities.

## Faces & Places



*Commissioner Francisco J. Villarruel was honored by his fellow Commissioners for his service as chair*



*Some members of the Michigan Alliance Against Hate Crimes at a recent meeting in Lansing. Left to right: Gary Felder, assistant U.S. Attorney, Eastern District; Cathy Milet, MDCR Partnership Coordinator; Hector Shamley, MDCR African-American Liaison; Margaret Chiara, U.S. Attorney, Western District; Donald Daniel, assistant U.S. Attorney, Western District; MDCR Director Nan Reynolds; and Commissioners Gary Torgow and Evelyn Crane.*



*Pastor Aaron Wheeler, chair of the Ohio Civil Rights Commission, addresses MDCR colleagues at the department's all-agency event in August.*



*Pastor Aaron Wheeler, chair of the Ohio Civil Rights Commission, poses with his Michigan counterpart Gary Torgow*



*Kathi "K.D." Dominguez, Director of the Office of Workplace Learning, cleans out her office on her last day*

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*Commissioners confer during a recent Commission meeting in Grand Rapids.*

## Director's Corner

Some of Dr. Nanette Lee Reynolds' activities during this quarter have included the following:

- Participation in a joint meeting between staff of the Michigan Department of Civil Rights (MDCR) and the EEOC. The intent of the meeting was to speak about cultural liaisons, broaden ties between the two organizations and exchange information on various activities.
- Attendance at HUD's National Fair Housing Policy Training Conference in Lake Buena Vista, Florida June 9 - 14. At this conference, both MDCR and Reynolds were saluted several times for their contributions to the cause of human rights and for their readiness to share or exchange information with counterparts around the country.
- Attendance at a garden reception hosted by Governor and Mrs. John Engler at the governor's mansion for the consul generals based in Michigan. At the reception, Dr. Reynolds met Yemen's honorary consul who complained about the ethnic profiling of Yemenis at the Detroit Metropolitan Airport. Dr. Reynolds and colleagues from MDCR met with representatives

from the Yemeni community and federal law enforcement agents, including the Immigration and Naturalization Service and Customs. The meeting was productive and has led to subsequent meetings.



*Dr. Nanette Lee Reynolds*

- Convening regular meetings with MDCR colleagues to shape the 40<sup>th</sup> anniversary celebrations of the Michigan Civil Rights Commission, which begins in 2003.
- Attendance at the May meeting of the board of the Michigan chapter of the National Conference of Community and Justice (NCCJ), one of the nation's oldest and most respected civil rights groups. Dr. Reynolds serves on the board of the Michigan NCCJ.
- Participation in the launching of the Civil Rights Health: A Community Based Model project in Kalamazoo. Through this project, a series of indicators have been developed to help test the civil rights health in selected municipalities.

**MICHIGAN DEPARTMENT OF CIVIL RIGHTS  
CUSTOMER SERVICE OPTIONS**

**INFORMATION**

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◆ TRAINING    ◆ SPEAKERS    ◆ CRISIS INTERVENTION

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**COMMISSION MEETING DATES**

MONDAY, OCTOBER 7, 9 A.M.

DETROIT

MONDAY, DECEMBER 16, 9 A.M.

DETROIT

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